

## **FISCAL NOTE**

### **HB 376 - SB 589**

February 24, 2001

#### **SUMMARY OF BILL:**

- Clarifies that any proceeds received from a lease, loan agreement, sales contract or operating contract with a public building authority or other contracting party for school capital outlay purposes by a county or metropolitan government within which a city, town, or special school district operates a school system must be shared with such city, town or special school district based on the average daily attendance in such school system.
- Specifies that the city, town or special school district may waive all or part of its right to such proceeds.
- Specifies that the proceeds are to be shared at the time they are received. Such sharing is not required if the taxes levied and collected to fund payment under the lease, loan agreement, sales contract or operating contract are only applicable to property outside the city, town or special school district.

#### **ESTIMATED FISCAL IMPACT:**

##### **MINIMAL**

Estimate assumes it is current practice to share such proceeds in the same manner as bond proceeds under T.C.A. 9-21-129 and 49-3-1003. Such proceeds are paid at the time the debt is issued. Under provisions of the bill, the county or metropolitan government receiving intermittent payments under a lease, loan agreement, sales contract, or operating contract would share these payments with a city, town or special school district as they are received rather than in one payment at the time the agreement or contract is entered into. While payments to a city, town or special school district would be delayed, the amount would not be affected.

#### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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